

HOUSE BILL No. 2703

By Committee on Appropriations

2-15

1 AN ACT concerning the authority of state agencies to enter into
2 indebtedness on behalf of the state; relating to the issuance of bonds by
3 the Kansas development finance authority; monthly reports by the
4 authority; amending K.S.A. 74-8913 and K.S.A. 2015 Supp. 74-8905
5 and repealing the existing sections.
6

7 *Be it enacted by the Legislature of the State of Kansas:*
8 New Section 1. (a) On and after the effective date of this act, no state

9 agency shall enter into the following actions unless such action has first
10 been specifically authorized for such purposes by an appropriation or other
11 act of the legislature or has been approved by the state finance council
12 subject to the provisions of subsection (b), acting on this matter which is
13 hereby characterized as a matter of legislative delegation and subject to the
14 guidelines prescribed in K.S.A. 75-3711(c), and amendments thereto: (1)
15 Borrow money upon the credit of the state; (2) contract any indebtedness
16 on the credit of the state; (3) issue bonds; (4) acquire real estate; (5)
17 contract with a third party to construct or improve any institution or
18 facility on state-owned property in any way; (6) make expenditures for
19 construction or improvements for any institutions or facilities of such state
20 agency in any way; (7) pledge as collateral of any type any state-owned
21 institution, facility or property; (8) enter into an agreement or assignment
22 in which the rent payments are pledged as collateral; or (9) enter into a
23 municipal lease obligation.
24

25 (b) No action shall be approved by the state finance council or the
26 legislature unless the state agency has: (1) Reviewed and evaluated the
27 process on the selection of the parties involved in such action with the
28 state building advisory commission; and (2) advised and consulted with
29 the joint committee on state building construction regarding such action.
30 The state finance council shall not have the authority to approve any action
31 described in subsection (a) that is equal to or exceeds \$25,000,000. Any
32 such action that is equal to or exceeds \$25,000,000 shall be approved by
33 an appropriation or other act of the legislature.
34

35 (c) As used in this section, "state agency" means any state office or
36 officer, department, board, commission, institution, bureau or any other
state authority which may lawfully request a state appropriation.
(d) The provisions of this section shall not apply to the department of

Such indebtedness shall not include accounts payable and purchases using a credit card if such indebtedness is paid within 90 days of the date such indebtedness was entered into

The state finance council shall approve any gift, devise or bequest of real estate if such acquisition is in the best interest of the state. Nothing in this clause shall prevent a state agency from leasing real estate for a special event if such lease is for less than one year in duration

1 transportation's authority pursuant to K.S.A. 68-2320 or 68-2328, and
2 amendments thereto.

3 Sec. 2. K.S.A. 2015 Supp. 74-8905 is hereby amended to read as
4 follows: 74-8905. (a) The authority may issue bonds, either for a specific
5 activity or on a pooled basis for a series of related or unrelated activities or
6 projects duly authorized by a political subdivision or group of political
7 subdivisions of the state in amounts determined by the authority for the
8 purpose of financing projects of statewide as well as local importance,
9 capital improvement facilities, educational facilities, health care facilities
10 and housing developments. Nothing in this act shall be construed to
11 authorize the authority to issue bonds or use the proceeds thereof to:

12 (1) Purchase, condemn or otherwise acquire a utility plant or
13 distribution system owned or operated by a regulated public utility;

14 (2) finance any capital improvement facilities or educational facilities
15 which are being financed by the issuance of general obligation or utility
16 revenue bonds of a political subdivision, except that the acquisition by the
17 authority of general obligation or utility revenue bonds issued by political
18 subdivisions with the proceeds of pooled bonds shall not violate the
19 provisions of the foregoing; or

20 (3) purchase, acquire, construct, reconstruct, improve, equip, furnish,
21 repair, enlarge or remodel property for any swine production facility on
22 agricultural land which is owned, acquired, obtained or leased by a
23 corporation, limited liability company, limited partnership, corporate
24 partnership or trust.

25 Nothing in this subsection (a) shall prohibit the issuance of bonds by
26 the authority when any statute specifically authorizes the issuance of
27 bonds by the authority or approves any activity or project of a state agency
28 for purposes of authorizing any such issuance of bonds in accordance with
29 this section and provides an exemption from the provisions of this
30 subsection (a).

31 (b) The authority may issue bonds for activities and projects of state
32 agencies as requested by the secretary of administration. Research
33 facilities of state educational institutions shall be subject to the provisions
34 of this subsection (b). No bonds may be issued pursuant to this act for any
35 activity or project of a state agency unless the activity or project *has first*
36 *either has been specifically approved by an appropriation or other act of*
37 *the legislature or has been specifically approved by the state finance*
38 *council acting on this matter which is hereby characterized as a matter of*
39 *legislative delegation and subject to the guidelines prescribed in subsection*
40 *(e) of K.S.A. 75-3711(c), and amendments thereto. The authority shall*
41 *not issue bonds requested by the secretary of administration pursuant to*
42 *the powers in K.S.A. 75-3651, and amendments thereto. When requested to*
43 *do so by the secretary of administration, the authority may issue bonds for*

(d) Nothing in this section shall prohibit a state agency from performing routine maintenance on any state owned property, institution or facility.